

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

APPLICATION OF

TENASKA VIRGINIA II PARTNERS, L. P.

CASE NO. PUE010429

For approval of a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2, an exemption from Chapter 10 of Title 56, and interim approval to make financial commitments and undertake preliminary construction work

HEARING EXAMINER'S RULING

March 26, 2002

On August 15, 2001, Tenaska Virginia II Partners, L.P. ("Tenaska II" or the "Applicant"), filed an application for a certificate of public convenience and necessity pursuant to § 56-265.2 of Chapter 10.1 of Title 56 of the Code of Virginia to construct and operate a 900 MW natural gas-fired, combined cycle generating facility (the Bear Garden facility" or "facility") in Buckingham County, Virginia. A hearing on the application was held on December 10, 2001, at which time evidence was proffered by Tenaska II, Staff, the Virginia Department of Environmental Quality ("DEQ"), and Columbia Gas of Virginia.

Upon review of the record, I find that certain deficiencies exist that would preclude the Commission from making determinations required by law in issuing a certificate of public convenience and necessity.

Specifically, I find that the record in this case should be reopened to receive additional evidence on the following issues:

1. Air Quality Impacts

Although a copy of Tenaska II's Prevention of Significant Deterioration permit application is in the record, an air quality modeling analysis is not. I find that an appropriate air quality modeling analysis should be a part of the record of this proceeding. The Commission recently remanded Case No. PUE010039, an application of Tenaska Virginia Partners, L. P. to construct and operate an electric generation facility in Fluvanna County. In its order dated January 16, 2002, the Commission directed that the Examiner reopen the record to take additional evidence regarding the cumulative impact on air quality from existing and proposed facilities in the area. Accordingly, I find that evidence regarding the cumulative

impact on air quality from existing and proposed facilities in the Buckingham County area should be a part of the record of this case.

2. **Lateral Gas Pipeline**

Section 56-580 D¹ of the Code of Virginia requires the Commission to give consideration to the effect of the facility and associated facilities on the environment. The record in this case is devoid of any evidence regarding the environmental impact of the lateral gas pipeline connecting the proposed facility with the Transcontinental Gas Pipe Line Corporation interstate natural gas pipeline. I find that an environmental assessment addressing the potential environmental impacts of the lateral gas pipeline should be included in the record of this proceeding.

3. **Effect on System Reliability**

At the request of Tenaska II, Dominion Virginia Power ("DVP") performed a Generation Interconnection Evaluation Study to determine if the power produced by the Bear Garden facility could be accommodated on the transmission grid in the summer of 2004. Preliminary tests conducted by DVP indicated system instability under certain conditions when the Bear Garden generation is added to the transmission grid. As noted, Section 56-580 D requires the Commission to make a finding that the proposed facility will have no material adverse effect upon the reliability of electric service provided by any regulated public utility. I find that additional evidence regarding the potential impact of adding the generation of the proposed Bear Garden facility to the transmission grid should be received and made a part of this record.

Accordingly, **IT IS DIRECTED** that:

1) On or before April 25, 2002, Tenaska II shall file supplemental testimony addressing the issues set forth above;

2) On or before May 9, 2002, the Commission Staff, the DEQ, and Columbia Gas of Virginia may file testimony in response;

¹ Section 56-580 D of the Code of Virginia requires that:

The Commission may permit the construction and operation of electrical generating facilities upon a finding that such generating facility and associated facilities including transmission lines and equipment (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility and (ii) are not otherwise contrary to the public interest...the Commission shall give consideration to the effect of the facility and associated facilities, including transmission lines and equipment, on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1.

3) On or before May 17, 2002, Tenaska II may file rebuttal testimony; and

4) A hearing to receive evidence on the issues set forth above will be held on May 28, 2002, beginning at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Howard P. Anderson, Jr.
Hearing Examiner